

UNITED STATES DEPARTMENT OF AGRICULTURE

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Weekly Cotton Market Review

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Spot cotton quotations for grade 41 staple 34, mike 35-49, in the designated markets averaged 74.97 cents per pound during the week ending Friday, August 31, according to the Cotton Division, Agricultural Marketing Service, USDA. Quotations averaged 47 points lower than the previous week. Daily average quotations ranged from a high of 75.68 cents on Monday, August 27, to a low of 74.34 cents on Friday, August 31. Spot cotton quotations averaged 74.50 cents a week earlier and 70.09 cents in the corresponding week a year ago. The New York October 1990 futures settlement price closed on Friday at 73.83 cents compared with 74.82 cents a week earlier. The December settlement price was 72.19 cents against 72.35 cents the previous week. Spot transactions reported in the designated markets totaled 15,497 bales during the week ended Friday, August 31. This compares with 6,303 bales the previous week and 9,023 bales in the corresponding week last season.

Southeastern markets. Spot cotton trading was very light. Supplies of old-crop cotton have been exhausted and only a light volume of new crop has been ginned. Merchant demand was weak for most offerings, as most current needs were being filled from stocks. Demand continued best for grades 51, 42 and higher, staples 34 and longer, mike 35-49, and in mixed lots of these qualities. Grade 41 brought around 150 points on NY October futures. Contracting of 1990 crops remained light. Prices offered were around 150 to 300 points off NY December futures in North Carolina and Georgia to 350 to 450 points off in Alabama. Hot, dry weather conditions hastened maturity of the crop. Harvesting and ginning were slowly getting underway.

South central markets. Spot trading was a little more active. In mixed lots, grade 41 staple 34, mike 35-49, sold at prices ranging from 100 points off to 50 points on NY October futures. Even-running lots of grades 31 and 41 commanded higher prices. A small volume of 1990-crop cotton, mostly grade 31 staples 35 and longer, mike 35-49, traded at about 150 points on NY October futures. Domestic mill buying increased sharply. The large volume of sales was for prompt through July 1991 delivery. Export trading was light and primarily with Far Eastern mills for prompt shipment. European mills made inquiries for high grade cotton for prompt through December shipment. Growers forward contracted a small volume of 1990-crop cotton at 550 points off NY December futures, basis grade 41 staple 34, mike 35-49. The cotton crop was nearing maturity. Defoliation and harvesting were underway in some localities.

Southwestern markets. Trading activity centered on the south Texas crop. Merchants accepted delivery of contracted cotton and were offering 400 points off to even NY October futures for mixed lots of free cotton. Demand was weak for cotton stapling 30 and shorter, for mike 50 and higher, and/or strength of 23 grams per tex and below. Cotton with strength below 24 grams per tex was discounted two to four cents per pound. Merchants contracted a limited volume of 1991-crop south Texas cotton at 65.00 to 67.00 cents for grade 41 staple 34, mike 35-49. Very little Plains area spot cotton traded during the week as supplies were very limited. A light volume of the high Plains 1990-crop was contracted at 1,700 to 1,800 points above CCC loan rates. The cotton crop continued to make good progress as weather conditions remained ideal. Light to heavy insect infestations increased in some areas, requiring more spraying.

Western markets. Spot trading was slow. Grower supplies were very light. Domestic mills purchased a light to moderate volume of cotton from the San Joaquin Valley and Desert Southwest for prompt and nearby shipment. San Joaquin Valley growers forward contracted a light volume of 1990-crop cotton at 80 to 80.50 cents, and 1991 crop at 75 cents per pound, basis grade 31 staple 35, mike 35-49. Arizona growers forward contracted a small amount of 1990 crop at 74 cents, basis grade 31 staple 34. The cotton crop made normal progress. Harvesting was getting underway in a few localities. Demand was good for American Pima and trading was slow. Grade 3 staples 44 and 46, mike 35-49 brought around \$1.14 to \$1.15 per pound. Grade 4 brought \$1.05. Domestic mills purchased a small amount of cotton for last quarter or earlier shipment. Arizona growers forward contracted a light volume at \$1.17 to \$1.18 per pound, basis grade 3.

Textile mill report. Domestic mill buying was slightly more active. Several mills made inquiries and purchased a small volume of cotton for fall 1990 through second quarter 1991. A few mills also made around the clock purchases running through third quarter 1991. Central and southeastern growths were in best demand, but western growths also attracted some interest. Mill business slowed, but remained fairly good for most products. Ring spun yarn, lightweight blended apparel fabric, and household goods remained slow sellers. Athletic wear, most knits and plied yarn continued to sell well. Production was reduced at selected mills, and some mills closed for the entire Labor Day week. Workweeks were mostly five to seven days, but an increasing number dropped weekend shifts.

Prices received by farmers for upland cotton averaged 65.00 cents per pound in mid August, according to the National Agricultural Statistics Service, USDA. This compares with 62.90 for the entire month of July and 60.20 cents in August 1989. These prices include cotton delivered against forward contacts.

Four months and older certificated stock, as of August 31, 1990

Aging	Delivery points						Total stock
	Galveston	Memphis	Houston	New Orleans	Greenville		
	Bales	Bales	Bales	Bales	Bales	Bales	
4 Months	4	-	-	-	4	8	
5 Months	11	-	-	42	53	106	
6 Months	8	-	-	-	8	16	
7 Months	11	-	-	-	11	22	
8 Months	-	-	1	-	1	2	
9 Months	3	47	2	-	52	104	
10 Months	-	59	-	-	59	118	
11 Months	-	-	-	-	-	0	
12 Months	-	-	3	-	3	6	
13 Months	3	-	3	-	6	12	
14 Months	-	-	-	-	-	0	
15 Months	5	-	4	-	9	18	
16 Months	-	18	-	-	18	36	
17 Months	8	-	-	-	8	16	
18 Months	-	-	-	-	-	0	
19 Months	-	1	2	-	3	6	
20 Months	2	33	2	-	37	74	
21 Months	1	-	-	-	1	2	
22 Months	1	-	-	-	1	2	
23 Months & older	1	-	-	-	1	2	
Total	58	158	17	42	275	550	

Forward contracting of 1990-crop cotton. Upland cotton growers in the United States had booked about 28 percent of their 1990 crop. This was up from 24 percent the previous month, but down from 32 percent a year ago. Contracting has been most active in the western states where about 46 percent of the crop was under contract by the end of August and compares with 60 percent a year earlier. In the southeastern states, about 42 percent of the crop had been booked, up from 31 percent in 1989. In the south central states, about 32 percent of the crop had been forward contracted, up from 31 percent a year ago. Growers in the southwestern states contracted about 17 percent, compared with 23 percent in 1989. These estimates were based on the Agricultural Statistics Board's August harvested acreage report and informal surveys made by the Cotton Division, Agricultural Marketing Service, USDA.

Forward contracting of upland cotton by growers, as of September 1, crops of 1981-1990 and acres for harvest, 1990 crop 1/

State	Cotton crops										: Acres for harvest 2/
	: 1981	: 1982	: 1983	: 1984	: 1985	: 1986	: 1987	: 1988	: 1989	: 1990	
	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	1,000 acres
Alabama 3/	7	13	24	26	21	-	18	9	23	37	428
Georgia	11	4	6	28	4	-	26	6	27	44	320
North Carolina	2	15	28	36	-	-	46	4	44	45	200
South Carolina	12	36	62	53	20	-	34	1	50	50	159
Southeastern states	8	14	25	32	13	-	26	6	31	42	1,107
Arkansas	15	17	24	40	9	*	63	25	41	40	720
Louisiana	8	18	21	23	1	-	19	13	42	30	770
Mississippi	27	21	25	28	15	2	38	4	24	30	1,180
Missouri	24	22	38	60	*	-	93	5	61	64	235
Tennessee	5	20	33	37	4	1	68	*	4	14	525
South central states	18	19	25	31	9	1	47	10	31	32	3,430
Oklahoma	-	1	-	17	-	*	31	*	15	5	365
Texas	5	4	7	18	4	3	22	8	24	18	4,900
Southwestern states	4	4	6	18	4	3	23	8	23	17	5,265
Arizona	7	20	18	4	4	9	24	5	19	12	339
California	10	15	13	27	5	54	77	29	73	58	1,040
New Mexico	1	*	-	1	2	-	6	9	8	21	50
Western states	8	16	14	21	5	43	63	24	60	46	1,429
United States	8	11	13	23	6	8	36	10	32	28	11,231

1/ Contracting estimates for 1981-1984 and 1990 based on June planted acreage report; 1985 based on February prospective plantings; 1986 through 1989 based on March. Estimates do not include cotton consigned to marketing organizations but do include cotton contracted with marketing organizations. 2/ August 1990, Agricultural Statistics Board, NASS, USDA. 3/ Includes Florida, 1984, 1987-1990 crops. * Less than 0.5 percent.

SUPPLY AND DISTRIBUTION OF DOMESTIC AND FOREIGN COTTON IN THE UNITED STATES:
SEASON OF 1989 TO 1990

The figure on the cotton "carryover" in the United States as of July 29, 1989, is 6,984,564 bales, according to the Bureau of the Census, Department of Commerce. (Linters are not included.) In addition to stocks of cotton in warehouses and consuming establishments, this count includes a partially estimated figure of cotton held elsewhere. Running bales, except imported cotton which is in equivalent 480 pound bales.

Supply and distribution	Number of bales
SUPPLY	
Stocks, July 29, 1989 1/	6,984,564
In consuming establishments.	606,033
In public storage and at compresses.	5,928,531
Elsewhere (partially estimated) 2/	450,000
Net import of foreign cotton 3/.	748
Total imports for consumption.	748
Less: Re-exports (other than withdrawals from bond for export).	(NA)
Ginnings, crop of 1989 during crop year 1989 to 1990	11,793,697
Total ginnings, crop of 1989	11,883,851
Less: Ginnings prior to August 1, 1989.	90,154
Ginnings, prior to August 1, 1990, crop of 1990.	119,793
Aggregate supply	18,898,802
DISTRIBUTION	
Total exports 4/	7,310,200
Consumption, July 30, 1989, to July 28, 1990	8,382,434
Cotton lost or destroyed, during crop year 1989 to 1990.	10,000
Stocks, July 28, 1990 1/	3,102,924
In consuming establishments.	665,226
In public storage and at compresses.	2,187,698
Elsewhere (partially estimated) 2/	250,000
Aggregate distribution	18,805,558
Excess of reported supply over distribution.	93,244

1/ These data represent the end of the reporting period rather than the end of the crop year. 2/ Includes cotton in transit to ports, warehouses, consuming establishments, and Canada; on docks, on shipboard but not cleared, and other ports' stocks not in warehouses or consuming establishments; and on farms, in merchant sheds, and other private storage. 3/ Figures for July imports and exports are estimated. 4/ Includes exports to Puerto Rico from the United States.

World market price, in cents per pound, adjusted to U.S. quality and location, for grade 41 staple 34, mike 35-49 upland cotton and the coarse count adjustment in effect from 12:01 a.m. Friday through 12:00 midnight Thursday

Description	1990				
	Aug. 3-9	Aug. 10-16	Aug. 17-23	Aug. 24-30	Aug. 31-Sept. 6
Adjusted world price	66.40	66.31	64.82	64.24	66.01
Course count adjustment	0	0	0	0	0

Source: Agricultural Stabilization and Conservation Service, USDA

New York futures contract settlement, designated spot market average for grade 41 staple 34 and 'A' and 'B' Index cotton prices in cents per pound

Date	Grade 41 Staple 34						Average	Grade 31	Coarse			
	Futures Settlement									7 Mkt.:	Staple 35	Count
	Oct '90	Dec '90	Mar '91	May '91	Jul '91	Aug. 1-6						
Aug. 27	75.05	72.99	73.92	74.30	74.15	75.68	H O L I D A Y					
28	73.83	71.90	72.97	73.73	73.75	74.81	82.55	79.35				
29	74.26	72.38	73.40	74.00	74.00	74.11	82.00	78.65				
30	74.58	72.86	73.90	74.47	74.43	74.91	81.65	78.15				
31	73.73	72.19	73.30	74.00	74.00	74.34	81.90	78.50				

1/ C.I.F. Northern Europe price furnished by Cotton Outlook of Liverpool.

U.S. upland cotton export sales and exports, in running bales, for week and year, marketing years 1989-90 and 1990-91

Description	Marketing Year			
	1989-90		1990-91	
	Through August 24	Through August 23	Through August 24	Through August 23
	Week	Marketing Year	Week	Marketing Year
Outstanding sales	-	2,412,300	-	3,193,200
Exports	95,100	345,500	101,900	315,500
Total export commitments	-	2,757,800	-	3,508,700
New sales	87,800	-	170,300	-
Buy-backs and cancellations	2,800	-	13,300	-
Net sales	85,000	-	157,000	-
Sales next marketing year	1,500	63,500	700	37,900

Source: Export Sales Reporting Division, Foreign Agricultural Service, USDA

NOTE: Data may not add due to rounding.

Upland cotton export sales. Net sales of 157,000 running bales during the week ending August 23, were down 12 percent from the previous week, according to the Foreign Agricultural Service, USDA. The major buyers were Japan with purchases of 37,800 bales, South Korea 35,500, Brazil 19,300 and Taiwan 18,400 bales. Cancellations of 8,800 bales were reported for Iraq. Shipments of 101,900 bales were 38 percent above the prior week. Asian destinations accounted for 86 percent of the week's exports; West European 12 percent and Western Hemisphere 2 percent. American Pima sales of 13,600 running bales were primarily to Japan with purchases of 12,500 bales. Shipments of 10,400 bales were mainly to Italy 3,000, West Germany 2,500, Indonesia 2,000, Japan 1,200 and South Korea 1,100 bales.

NOTE: Portions of the narrative from this report are available on the USDA's Electronic Dissemination of Information System. If you are interested in receiving this information electronically, contact Russell Forte at 202-447-5505.

SPOT COTTON QUOTATIONS - UPLAND

August 31, 1990

Spot quotations are in cents per pound for cotton equal to the Official Standards with mike readings of 35-49, net weight, in mixed lots, uncompressed, free of all charges in the warehouse in the market. Quotations are the average value of spot cotton in each market and may or may not represent actual trades in each quality.

SOUTHEAST				NORTH DELTA				SOUTH DELTA				DESERT SOUTHWEST				
Grade				Grade				Grade				Grade				
31	41	51	42	31	41	51	42	Staple	31	41	51	42	21	31	41	32
73.78	72.68	69.68	70.18	72.58	71.58	66.08	67.08	33	72.78	71.58	65.83	67.33	74.83	74.83	72.08	72.08
75.83	75.33	72.33	72.83	75.33	74.33	68.58	69.58	34	75.28	74.33	68.58	70.08	78.83	78.83	76.08	76.08
76.08	75.58	72.58	73.08	75.43	74.58	68.68	69.68	35	75.38	74.43	68.68	70.18	78.93	78.93	76.18	76.18
76.23	75.73	72.73	73.23	75.53	74.68	68.78	69.78	36	75.48	74.53	68.78	70.28	78.93	78.93	76.18	76.18

EAST TEXAS-OKLAHOMA				WEST TEXAS				SAN JOAQUIN VALLEY				
Grade				Grade				Grade				
31	41	32	42	31	41	32	42	Staple	21	31	41	51
61.40	61.25	61.05	60.05	62.55	60.45	60.50	59.35	29	-	-	-	-
62.15	62.00	61.80	60.60	63.80	61.70	61.95	61.90	30	-	-	-	-
66.90	66.75	66.55	66.35	67.90	65.70	65.90	65.75	31	-	-	-	-
69.05	68.75	68.55	68.10	69.95	67.45	67.90	67.65	32	-	-	-	-
70.60	70.20	69.50	69.25	71.50	69.45	69.45	69.05	33	-	-	-	-
72.35	72.00	71.30	70.05	73.05	70.75	70.75	69.35	34	79.58	79.33	77.58	74.08
72.65	72.25	71.55	70.35	73.35	71.00	71.00	69.65	35	81.33	81.08	79.33	75.08
72.75	72.35	71.65	70.35	73.45	71.10	71.10	69.65	36	81.43	81.18	79.43	75.08
72.75	72.35	71.65	70.35	73.45	71.10	71.10	69.65	37	81.53	81.28	79.53	75.08

MIKE DIFFERENCES - POINTS PER POUND

SOUTH-EAST	NORTH DELTA	SOUTH DELTA	EAST TX-OK	MIKE RANGES	WEST TEXAS	DESERT SW	SJV	AVG
-1250	-1685	-	-1700	26 & Below	-1700	-2100	-	-1687
-800	-1175	-1175	-700	27-29	-700	-1400	-1500	-1064
-500	-680	-680	-450	30-32	-450	-800	-950	-644
-250	-420	-420	-150	33-34	-150	-350	-350	-299
0	0	0	0	35-49	0	0	0	0
-200	-345	-345	-450	50-52	-450	-50	-100	-277
-250	-430	-430	-600	53 & Above	-	-100	-	-362

SPOT QUOTATIONS - AMERICAN PIMA

Staple	01	02	03	04	05	06	Mike ranges	Points per pound
							26 & Below	-3100
							27-29	-2275
44	114.75	114.50	113.50	104.50	81.50	70.00	30-32	-1200
							33-34	-300
46	115.25	115.00	114.00	105.00	81.50	70.00	35 & Above	0

LANDED MILL QUOTATIONS - GROUP 201 MILL POINTS

Quotations are in cents per pound for even running lots, with mike readings of 35-49, net weight, prompt shipment, delivered, brokerage included. Quotations for group 200 mill points are slightly higher and for Alabama, Georgia and east Tennessee mills are slightly lower.

SOUTHEASTERN GROWTHS				DELTA GROWTHS				TEXAS-OKLAHOMA GROWTHS				CALIFORNIA (SJV) GROWTHS			
Grade				Grade				Grade				Grade			
31	41	51	42	31	41	51	42	Staple	41	51	32	42	31	41	51
-	-	-	-	-	-	-	-	29	70.50	67.50	70.50	68.00	-	-	-
-	-	-	-	-	-	-	-	30	72.25	69.75	72.25	70.25	-	-	-
-	-	-	-	-	-	-	-	31	73.75	71.00	73.75	71.75	-	-	-
-	-	-	-	-	-	-	-	32	75.25	72.00	75.25	72.50	-	-	-
81.25	80.75	78.75	80.50	81.75	81.25	79.00	80.75	33	77.50	73.25	77.50	73.75	-	-	-
82.25	81.50	79.75	81.50	82.75	82.00	80.00	81.75	34	79.75	75.25	79.75	75.50	87.00	85.75	81.25
82.75	82.25	80.25	81.50	83.25	82.75	80.50	81.75	35	-	-	-	-	88.50	87.25	82.50
-	-	-	-	-	-	-	-	36	-	-	-	-	88.75	87.50	82.50